



Reprinted
February 1, 2024

HOUSE BILL No. 1376

DIGEST OF HB 1376 (Updated January 31, 2024 11:56 am - DI 144)

Citations Affected: IC 3-10; IC 6-1.1.

Synopsis: School controlled project referendum. Provides that a local public question authorizing a school corporation to impose property taxes to pay debt service on bonds or lease rentals on a lease for a specified controlled project may be placed on the ballot only at a general election or municipal general election.

Effective: July 1, 2024.

Behning, Teshka, McGuire

January 10, 2024, read first time and referred to Committee on Elections and Apportionment.

January 18, 2024, reported — Do Pass.

January 22, 2024, read second time, ordered engrossed. Engrossed.

January 29, 2024, returned to second reading.

January 31, 2024, re-read second time, amended, ordered engrossed.

HB 1376—LS 6949/DI 144



Reprinted
February 1, 2024

Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1376

A BILL FOR AN ACT to amend the Indiana Code concerning elections.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 3-10-9-3, AS AMENDED BY P.L.225-2011,
2 SECTION 49, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2024]: Sec. 3. **(a) Except as provided in subsection (b),** if a
4 local public question must be certified to an election board by law, that
5 certification must occur no later than noon:

6 (1) seventy-four (74) days before a primary election if the public
7 question is to be placed on the primary or municipal primary
8 election ballot; or

9 (2) August 1 if the public question is to be placed on the general
10 or municipal election ballot.

11 **(b) A local public question described in IC 6-1.1-20-3.6(f) may**
12 **be placed on the ballot only at the following elections:**

13 **(1) A general election.**

14 **(2) A municipal general election, but only if the election**
15 **district for the public question is contained entirely within a**
16 **municipality.**

17 **Certification of a local public question under this subsection must**

HB 1376—LS 6949/DI 144



1 **occur not later than noon August 1.**

2 SECTION 2. IC 6-1.1-20-3.6, AS AMENDED BY P.L.239-2023,
3 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2024]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8
5 of this chapter, this section applies only to a controlled project
6 described in section 3.5(a) of this chapter.

7 (b) In the case of a controlled project:

8 (1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of this
9 chapter, if a sufficient petition requesting the application of the
10 local public question process has been filed as set forth in section
11 3.5 of this chapter; or

12 (2) described in section 3.5(a)(1)(D) of this chapter (before its
13 expiration);

14 a political subdivision may not impose property taxes to pay debt
15 service on bonds or lease rentals on a lease for a controlled project
16 unless the political subdivision's proposed debt service or lease rental
17 is approved in an election on a local public question held under this
18 section.

19 (c) Except as provided in subsection ~~(k)~~; **(l)**, the following question
20 shall be submitted to the eligible voters at the election conducted under
21 this section:

22 "Shall _____ (insert the name of the political subdivision)
23 increase property taxes paid to the _____ (insert the type of
24 taxing unit) by homeowners and businesses? If this public
25 question is approved by the voters, the average property tax paid
26 to the _____ (insert the type of taxing unit) per year on a
27 residence would increase by _____% (insert the estimated
28 average percentage of property tax increase paid to the political
29 subdivision on a residence within the political subdivision as
30 determined under subsection ~~(n)~~ **(o)**) and the average property
31 tax paid to the _____ (insert the type of taxing unit) per year on
32 a business property would increase by _____% (insert the
33 estimated average percentage of property tax increase paid to the
34 political subdivision on a business property within the political
35 subdivision as determined under subsection ~~(o)~~; **(p)**). The
36 political subdivision may issue bonds or enter into a lease to
37 _____ (insert a brief description of the controlled project),
38 which is estimated to cost _____ (insert the total cost of the
39 project) over _____ (insert number of years to bond maturity or
40 termination of lease) years. The most recent property tax
41 referendum within the boundaries of the political subdivision for
42 which this public question is being considered was proposed by



_____ (insert name of political subdivision) in _____ (insert
year of most recent property tax referendum) and _____
(insert whether the measure passed or failed).".

The public question must appear on the ballot in the form approved by
the county election board. If the political subdivision proposing to issue
bonds or enter into a lease is located in more than one (1) county, the
county election board of each county shall jointly approve the form of
the public question that will appear on the ballot in each county. The
form approved by the county election board may differ from the
language certified to the county election board by the county auditor.
If the county election board approves the language of a public question
under this subsection, the county election board shall submit the
language and the certification of the county auditor described in
subsection ~~(p)~~ (q) to the department of local government finance for
review.

(d) The department of local government finance shall review the
language of the public question to evaluate whether the description of
the controlled project is accurate and is not biased against either a vote
in favor of the controlled project or a vote against the controlled
project. The department of local government finance shall post the
estimated average percentage of property tax increases to be paid to a
political subdivision on a residence and business property that are
certified by the county auditor under subsection ~~(p)~~ (q) on the
department's ~~Internet web site~~ website. The department of local
government finance may either approve the ballot language as
submitted or recommend that the ballot language be modified as
necessary to ensure that the description of the controlled project is
accurate and is not biased. The department of local government finance
shall certify its approval or recommendations to the county auditor and
the county election board not more than ten (10) days after the
language of the public question is submitted to the department for
review. If the department of local government finance recommends a
modification to the ballot language, the county election board shall,
after reviewing the recommendations of the department of local
government finance, submit modified ballot language to the department
for the department's approval or recommendation of any additional
modifications. The public question may not be certified by the county
auditor under subsection (e) **or** (f) unless the department of local
government finance has first certified the department's final approval
of the ballot language for the public question.

(e) **This subsection does not apply to a local public question
described in subsection (f).** The county auditor shall certify the finally



1 approved public question under ~~IC 3-10-9-3~~ **IC 3-10-9-3(a)** to the
 2 county election board of each county in which the political subdivision
 3 is located. The certification must occur not later than noon:

4 (1) seventy-four (74) days before a primary election if the public
 5 question is to be placed on the primary or municipal primary
 6 election ballot; or

7 (2) August 1 if the public question is to be placed on the general
 8 or municipal election ballot.

9 Subject to the certification requirements and deadlines under this
 10 subsection and except as provided in subsection ~~(j)~~; **(k)**, the public
 11 question shall be placed on the ballot at the next primary election,
 12 general election or municipal election in which all voters of the
 13 political subdivision are entitled to vote. However, if a primary
 14 election, general election, or municipal election will not be held during
 15 the first year in which the public question is eligible to be placed on the
 16 ballot under this section and if the political subdivision requests the
 17 public question to be placed on the ballot at a special election, the
 18 public question shall be placed on the ballot at a special election to be
 19 held on the first Tuesday after the first Monday in May or November
 20 of the year. The certification must occur not later than noon
 21 seventy-four (74) days before a special election to be held in May (if
 22 the special election is to be held in May) or noon on August 1 (if the
 23 special election is to be held in November). The fiscal body of the
 24 political subdivision that requests the special election shall pay the
 25 costs of holding the special election. The county election board shall
 26 give notice under IC 5-3-1 of a special election conducted under this
 27 subsection. A special election conducted under this subsection is under
 28 the direction of the county election board. The county election board
 29 shall take all steps necessary to carry out the special election.

30 **(f) This subsection applies to a local public question authorizing**
 31 **a school corporation to impose property taxes to pay debt service**
 32 **on bonds or lease rentals on a lease for a controlled project**
 33 **described in section 3.5(a) of this chapter. The county auditor shall**
 34 **certify the finally approved public question under IC 3-10-9-3(b)**
 35 **to the county election board of each county in which the political**
 36 **subdivision is located. The certification must occur not later than**
 37 **noon August 1. Subject to the certification requirements and**
 38 **deadlines under this subsection and except as provided in**
 39 **subsection (k), the public question shall be placed on the ballot at**
 40 **the next election permitted under IC 3-10-9-3(b).**

41 **(g) The circuit court clerk shall certify the results of the public**
 42 **question to the following:**



(1) The county auditor of each county in which the political subdivision is located.

(2) The department of local government finance.

~~(g)~~ **(h)** Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the eligible voters voting on the public question vote in favor of the public question.

~~(h)~~ **(i)** If a majority of the eligible voters voting on the public question vote in opposition to the public question, both of the following apply:

(1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.

(2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than:

(A) except as provided in clause (B), seven hundred (700) days after the date of the public question; or

(B) three hundred fifty (350) days after the date of the election, if a petition that meets the requirements of subsection ~~(m)~~ **(n)** is submitted to the county auditor.

~~(j)~~ **(j)** IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

~~(k)~~ **(k)** A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project into two (2) or more capital projects in order to avoid the requirements of this section and section 3.5 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision under section 3.5 of this chapter or a determination under section 5 of this chapter to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the



requirements of this section and section 3.5 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision may appeal the determination of the department of local government finance to the Indiana board of tax review. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.5 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

~~(k)~~ **(l)** This subsection applies to a political subdivision for which a petition requesting a public question has been submitted under section 3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of the political subdivision may adopt a resolution to withdraw a controlled project from consideration in a public question. If the legislative body provides a certified copy of the resolution to the county auditor and the county election board not later than sixty-three (63) days before the election at which the public question would be on the ballot, the public question on the controlled project shall not be placed on the ballot and the public question on the controlled project shall not be held, regardless of whether the county auditor has certified the public question to the county election board. If the withdrawal of a public question under this subsection requires the county election board to reprint ballots, the political subdivision withdrawing the public question shall pay the costs of reprinting the ballots. If a political subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than three hundred fifty (350) days after the date the resolution withdrawing the public question is adopted.

~~(j)~~ **(m)** If a public question regarding a controlled project is placed on the ballot to be voted on at an election under this section, the



political subdivision shall submit to the department of local government finance, at least thirty (30) days before the election, the following information regarding the proposed controlled project for posting on the department's ~~Internet web site:~~ **website:**

(1) The cost per square foot of any buildings being constructed as part of the controlled project.

(2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.

(3) The maximum term of the bonds or lease.

(4) The maximum principal amount of the bonds or the maximum lease rental for the lease.

(5) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.

(6) The purpose of the bonds or lease.

(7) In the case of a controlled project proposed by a school corporation:

(A) the current and proposed square footage of school building space per student;

(B) enrollment patterns within the school corporation; and

(C) the age and condition of the current school facilities.

~~(m)~~ **(n)** If a majority of the eligible voters voting on the public question vote in opposition to the public question, a petition may be submitted to the county auditor to request that the limit under subsection ~~(h)(2)(B)~~ **(i)(2)(B)** apply to the holding of a subsequent public question by the political subdivision. If such a petition is submitted to the county auditor and is signed by the lesser of:

(1) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or

(2) five percent (5%) of the registered voters residing within the political subdivision;

the limit under subsection ~~(h)(2)(B)~~ **(i)(2)(B)** applies to the holding of a second public question by the political subdivision and the limit under subsection ~~(h)(2)(A)~~ **(i)(2)(A)** does not apply to the holding of a second public question by the political subdivision.

~~(n)~~ **(o)** At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:



STEP ONE: Determine the average assessed value of a homestead located within the political subdivision.

STEP TWO: For purposes of determining the net assessed value of the average homestead located within the political subdivision, subtract:

(A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and

(B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the political subdivision:

(A) multiply the result of STEP THREE by the result of STEP FOUR; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the political subdivision's part of the result determined in STEP FIVE.

STEP SEVEN: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP EIGHT: Multiply the result of STEP SEVEN by the result of STEP THREE.

STEP NINE: Divide the result of STEP EIGHT by the result of STEP SIX, expressed as a percentage.

(p) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of business property located within the political subdivision.

STEP TWO: Divide the result of STEP ONE by one hundred



(100).

STEP THREE: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the political subdivision:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the political subdivision's part of the result determined in STEP FOUR.

STEP SIX: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Multiply the result of STEP TWO by the result of STEP SIX.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP FIVE, expressed as a percentage.

~~(p)~~ (q) The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision determined under subsection ~~(m)~~; (o), and the estimated average percentage of property tax increase on a business property to be paid to the political subdivision determined under subsection ~~(o)~~; (p), in a manner prescribed by the department of local government finance, and provide the certification to the political subdivision that proposes to impose property taxes. The political subdivision shall provide the certification to the county election board and include the estimated average percentages in the language of the public question at the time the language of the public question is submitted to the county election board for approval as described in subsection (c).



COMMITTEE REPORT

Mr. Speaker: Your Committee on Elections and Apportionment, to which was referred House Bill 1376, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1376 as introduced.)

WESCO

Committee Vote: Yeas 8, Nays 5

HOUSE MOTION

Mr. Speaker: I move that House Bill 1376 be returned to the second reading calendar forthwith for the purpose of amendment.

BEHNING

HOUSE MOTION

Mr. Speaker: I move that House Bill 1376 be amended to read as follows:

Page 1, line 11, delete "referendum or local public question under IC 20" and insert **"local public question described in IC 6-1.1-20-3.6(f)"**.

Page 2, delete lines 2 through 42, begin a new paragraph and insert:
"SECTION 2. IC 6-1.1-20-3.6, AS AMENDED BY P.L.239-2023, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2024]: Sec. 3.6. (a) Except as provided in sections 3.7 and 3.8 of this chapter, this section applies only to a controlled project described in section 3.5(a) of this chapter.

(b) In the case of a controlled project:

(1) described in section 3.5(a)(1)(A) through 3.5(a)(1)(C) of this chapter, if a sufficient petition requesting the application of the local public question process has been filed as set forth in section 3.5 of this chapter; or

(2) described in section 3.5(a)(1)(D) of this chapter (before its expiration);

a political subdivision may not impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project

HB 1376—LS 6949/DI 144



unless the political subdivision's proposed debt service or lease rental is approved in an election on a local public question held under this section.

(c) Except as provided in subsection ~~(k)~~; **(l)**, the following question shall be submitted to the eligible voters at the election conducted under this section:

"Shall _____ (insert the name of the political subdivision) increase property taxes paid to the _____ (insert the type of taxing unit) by homeowners and businesses? If this public question is approved by the voters, the average property tax paid to the _____ (insert the type of taxing unit) per year on a residence would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a residence within the political subdivision as determined under subsection ~~(n)~~ **(o)**) and the average property tax paid to the _____ (insert the type of taxing unit) per year on a business property would increase by _____% (insert the estimated average percentage of property tax increase paid to the political subdivision on a business property within the political subdivision as determined under subsection ~~(o)~~ **(p)**). The political subdivision may issue bonds or enter into a lease to _____ (insert a brief description of the controlled project), which is estimated to cost _____ (insert the total cost of the project) over _____ (insert number of years to bond maturity or termination of lease) years. The most recent property tax referendum within the boundaries of the political subdivision for which this public question is being considered was proposed by _____ (insert name of political subdivision) in _____ (insert year of most recent property tax referendum) and _____ (insert whether the measure passed or failed).".

The public question must appear on the ballot in the form approved by the county election board. If the political subdivision proposing to issue bonds or enter into a lease is located in more than one (1) county, the county election board of each county shall jointly approve the form of the public question that will appear on the ballot in each county. The form approved by the county election board may differ from the language certified to the county election board by the county auditor. If the county election board approves the language of a public question under this subsection, the county election board shall submit the language and the certification of the county auditor described in subsection ~~(p)~~ **(q)** to the department of local government finance for review.



(d) The department of local government finance shall review the language of the public question to evaluate whether the description of the controlled project is accurate and is not biased against either a vote in favor of the controlled project or a vote against the controlled project. The department of local government finance shall post the estimated average percentage of property tax increases to be paid to a political subdivision on a residence and business property that are certified by the county auditor under subsection ~~(p)~~ **(q)** on the department's ~~Internet web site~~ **website**. The department of local government finance may either approve the ballot language as submitted or recommend that the ballot language be modified as necessary to ensure that the description of the controlled project is accurate and is not biased. The department of local government finance shall certify its approval or recommendations to the county auditor and the county election board not more than ten (10) days after the language of the public question is submitted to the department for review. If the department of local government finance recommends a modification to the ballot language, the county election board shall, after reviewing the recommendations of the department of local government finance, submit modified ballot language to the department for the department's approval or recommendation of any additional modifications. The public question may not be certified by the county auditor under subsection (e) **or (f)** unless the department of local government finance has first certified the department's final approval of the ballot language for the public question.

(e) This subsection does not apply to a local public question described in subsection (f). The county auditor shall certify the finally approved public question under ~~IC 3-10-9-3~~ **IC 3-10-9-3(a)** to the county election board of each county in which the political subdivision is located. The certification must occur not later than noon:

- (1) seventy-four (74) days before a primary election if the public question is to be placed on the primary or municipal primary election ballot; or
- (2) August 1 if the public question is to be placed on the general or municipal election ballot.

Subject to the certification requirements and deadlines under this subsection and except as provided in subsection ~~(j)~~ **(k)**, the public question shall be placed on the ballot at the next primary election, general election or municipal election in which all voters of the political subdivision are entitled to vote. However, if a primary election, general election, or municipal election will not be held during the first year in which the public question is eligible to be placed on the



ballot under this section and if the political subdivision requests the public question to be placed on the ballot at a special election, the public question shall be placed on the ballot at a special election to be held on the first Tuesday after the first Monday in May or November of the year. The certification must occur not later than noon seventy-four (74) days before a special election to be held in May (if the special election is to be held in May) or noon on August 1 (if the special election is to be held in November). The fiscal body of the political subdivision that requests the special election shall pay the costs of holding the special election. The county election board shall give notice under IC 5-3-1 of a special election conducted under this subsection. A special election conducted under this subsection is under the direction of the county election board. The county election board shall take all steps necessary to carry out the special election.

(f) This subsection applies to a local public question authorizing a school corporation to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project described in section 3.5(a) of this chapter. The county auditor shall certify the finally approved public question under IC 3-10-9-3(b) to the county election board of each county in which the political subdivision is located. The certification must occur not later than noon August 1. Subject to the certification requirements and deadlines under this subsection and except as provided in subsection (k), the public question shall be placed on the ballot at the next election permitted under IC 3-10-9-3(b).

(g) The circuit court clerk shall certify the results of the public question to the following:

- (1) The county auditor of each county in which the political subdivision is located.
- (2) The department of local government finance.

~~(g)~~ **(h)** Subject to the requirements of IC 6-1.1-18.5-8, the political subdivision may issue the proposed bonds or enter into the proposed lease rental if a majority of the eligible voters voting on the public question vote in favor of the public question.

~~(h)~~ **(i)** If a majority of the eligible voters voting on the public question vote in opposition to the public question, both of the following apply:

- (1) The political subdivision may not issue the proposed bonds or enter into the proposed lease rental.
- (2) Another public question under this section on the same or a substantially similar project may not be submitted to the voters earlier than:



(A) except as provided in clause (B), seven hundred (700) days after the date of the public question; or

(B) three hundred fifty (350) days after the date of the election, if a petition that meets the requirements of subsection ~~(m)~~ (n) is submitted to the county auditor.

~~(j)~~ (j) IC 3, to the extent not inconsistent with this section, applies to an election held under this section.

~~(j)~~ (k) A political subdivision may not divide a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. A person that owns property within a political subdivision or a person that is a registered voter residing within a political subdivision may file a petition with the department of local government finance objecting that the political subdivision has divided a controlled project into two (2) or more capital projects in order to avoid the requirements of this section and section 3.5 of this chapter. The petition must be filed not more than ten (10) days after the political subdivision gives notice of the political subdivision's decision under section 3.5 of this chapter or a determination under section 5 of this chapter to issue bonds or enter into leases for a capital project that the person believes is the result of a division of a controlled project that is prohibited by this subsection. If the department of local government finance receives a petition under this subsection, the department shall not later than thirty (30) days after receiving the petition make a final determination on the issue of whether the political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter. If the department of local government finance determines that a political subdivision divided a controlled project in order to avoid the requirements of this section and section 3.5 of this chapter and the political subdivision continues to desire to proceed with the project, the political subdivision may appeal the determination of the department of local government finance to the Indiana board of tax review. A political subdivision shall be considered to have divided a capital project in order to avoid the requirements of this section and section 3.5 of this chapter if the result of one (1) or more of the subprojects cannot reasonably be considered an independently desirable end in itself without reference to another capital project. This subsection does not prohibit a political subdivision from undertaking a series of capital projects in which the result of each capital project can reasonably be considered an independently desirable end in itself without reference to another capital project.

~~(k)~~ (l) This subsection applies to a political subdivision for which a petition requesting a public question has been submitted under section



3.5 of this chapter. The legislative body (as defined in IC 36-1-2-9) of the political subdivision may adopt a resolution to withdraw a controlled project from consideration in a public question. If the legislative body provides a certified copy of the resolution to the county auditor and the county election board not later than sixty-three (63) days before the election at which the public question would be on the ballot, the public question on the controlled project shall not be placed on the ballot and the public question on the controlled project shall not be held, regardless of whether the county auditor has certified the public question to the county election board. If the withdrawal of a public question under this subsection requires the county election board to reprint ballots, the political subdivision withdrawing the public question shall pay the costs of reprinting the ballots. If a political subdivision withdraws a public question under this subsection that would have been held at a special election and the county election board has printed the ballots before the legislative body of the political subdivision provides a certified copy of the withdrawal resolution to the county auditor and the county election board, the political subdivision withdrawing the public question shall pay the costs incurred by the county in printing the ballots. If a public question on a controlled project is withdrawn under this subsection, a public question under this section on the same controlled project or a substantially similar controlled project may not be submitted to the voters earlier than three hundred fifty (350) days after the date the resolution withdrawing the public question is adopted.

(+) (m) If a public question regarding a controlled project is placed on the ballot to be voted on at an election under this section, the political subdivision shall submit to the department of local government finance, at least thirty (30) days before the election, the following information regarding the proposed controlled project for posting on the department's ~~Internet web site:~~ **website:**

- (1) The cost per square foot of any buildings being constructed as part of the controlled project.
- (2) The effect that approval of the controlled project would have on the political subdivision's property tax rate.
- (3) The maximum term of the bonds or lease.
- (4) The maximum principal amount of the bonds or the maximum lease rental for the lease.
- (5) The estimated interest rates that will be paid and the total interest costs associated with the bonds or lease.
- (6) The purpose of the bonds or lease.
- (7) In the case of a controlled project proposed by a school



corporation:

- (A) the current and proposed square footage of school building space per student;
- (B) enrollment patterns within the school corporation; and
- (C) the age and condition of the current school facilities.

~~(m)~~ **(n)** If a majority of the eligible voters voting on the public question vote in opposition to the public question, a petition may be submitted to the county auditor to request that the limit under subsection ~~(h)(2)(B)~~ **(i)(2)(B)** apply to the holding of a subsequent public question by the political subdivision. If such a petition is submitted to the county auditor and is signed by the lesser of:

- (1) five hundred (500) persons who are either owners of property within the political subdivision or registered voters residing within the political subdivision; or
- (2) five percent (5%) of the registered voters residing within the political subdivision;

the limit under subsection ~~(h)(2)(B)~~ **(i)(2)(B)** applies to the holding of a second public question by the political subdivision and the limit under subsection ~~(h)(2)(A)~~ **(i)(2)(A)** does not apply to the holding of a second public question by the political subdivision.

~~(m)~~ **(o)** At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of a homestead located within the political subdivision.

STEP TWO: For purposes of determining the net assessed value of the average homestead located within the political subdivision, subtract:

- (A) an amount for the homestead standard deduction under IC 6-1.1-12-37 as if the homestead described in STEP ONE was eligible for the deduction; and
- (B) an amount for the supplemental homestead deduction under IC 6-1.1-12-37.5 as if the homestead described in STEP ONE was eligible for the deduction;

from the result of STEP ONE.

STEP THREE: Divide the result of STEP TWO by one hundred (100).

STEP FOUR: Determine the overall average tax rate per one



hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FIVE: For purposes of determining net property tax liability of the average homestead located within the political subdivision:

(A) multiply the result of STEP THREE by the result of STEP FOUR; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5(a)(1).

STEP SIX: Determine the amount of the political subdivision's part of the result determined in STEP FIVE.

STEP SEVEN: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP EIGHT: Multiply the result of STEP SEVEN by the result of STEP THREE.

STEP NINE: Divide the result of STEP EIGHT by the result of STEP SIX, expressed as a percentage.

(p) At the request of a political subdivision that proposes to impose property taxes to pay debt service on bonds or lease rentals on a lease for a controlled project, the county auditor of a county in which the political subdivision is located shall determine the estimated average percentage of property tax increase on a business property to be paid to the political subdivision that must be included in the public question under subsection (c) as follows:

STEP ONE: Determine the average assessed value of business property located within the political subdivision.

STEP TWO: Divide the result of STEP ONE by one hundred (100).

STEP THREE: Determine the overall average tax rate per one hundred dollars (\$100) of assessed valuation for the current year imposed on property located within the political subdivision.

STEP FOUR: For purposes of determining net property tax liability of the average business property located within the political subdivision:

(A) multiply the result of STEP TWO by the result of STEP THREE; and

(B) as appropriate, apply any currently applicable county property tax credit rates and the credit for excessive property taxes under IC 6-1.1-20.6-7.5 as if the applicable percentage was three percent (3%).

STEP FIVE: Determine the amount of the political subdivision's part of the result determined in STEP FOUR.



STEP SIX: Determine the estimated tax rate that will be imposed if the public question is approved by the voters.

STEP SEVEN: Multiply the result of STEP TWO by the result of STEP SIX.

STEP EIGHT: Divide the result of STEP SEVEN by the result of STEP FIVE, expressed as a percentage.

~~(p)~~ **(q)** The county auditor shall certify the estimated average percentage of property tax increase on a homestead to be paid to the political subdivision determined under subsection ~~(n)~~, **(o)**, and the estimated average percentage of property tax increase on a business property to be paid to the political subdivision determined under subsection ~~(o)~~, **(p)**, in a manner prescribed by the department of local government finance, and provide the certification to the political subdivision that proposes to impose property taxes. The political subdivision shall provide the certification to the county election board and include the estimated average percentages in the language of the public question at the time the language of the public question is submitted to the county election board for approval as described in subsection (c).".

Delete pages 3 through 16.

Renumber all SECTIONS consecutively.

(Reference is to HB 1376 as printed January 18, 2024.)

BEHNING

